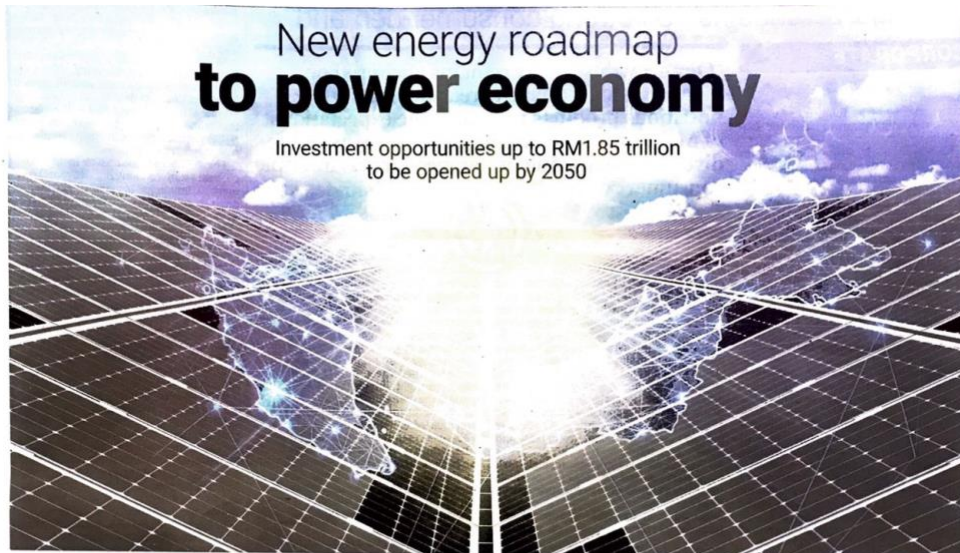


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New energy roadmap to power economy



UTILITIES

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KUALA LUMPUR: Economy Minister Rafizi Ramli laments that Malaysia's investments into renewable energy (RE) have lagged behind its regional peers and blames past governments for not making the industry "sufficiently profitable".

He said that incoherent and non-streamlined government policies were one of the key factors that had often limited the private sector from embracing clean energy.

The minister also acknowledged the importance of roping in households to accelerate the country's RE journey, but this could only be achieved if clean energy is made a "financially relevant" option to

most households.

"Convincing a family of four to buy and instal a solar panel at their rooftop for RM20,000 is still very difficult to do," according to Rafizi.

All these challenges are set to be addressed under the government's two-part roadmap, the National Energy Transition Roadmap (NETR).

In fact, in a show of commitment to businesses, Rafizi stressed at the official launch of the NETR here yesterday that the scale of reforms that will be put in place under the NETR had only happened once or twice in Malaysia's history.

This includes expedited policy changes and incentives from the government's side in making sure that committed clean energy projects can take off as per their timeline.

By 2050, the NETR seeks to open up

investment opportunities of between RM435bil and RM1.85 trillion.

Part one of the NETR comprises 10 flagship catalytic projects based on six energy transition levers, namely, energy efficiency; RE; hydrogen; bioenergy; green mobility; and carbon capture, utilisation and storage or CCUS.

The first phase of the NETR alone is estimated to bring about 23,000 high-impact jobs.

Part two will then focus on establishing the low-carbon pathway, national energy mix and emissions reduction targets as well as the enablers needed for the energy transition.

According to Rafizi, the second and final part will be launched in a month's time.

"The NETR is this administration's effort to change the economics of RE so that we can rapidly scale up our installed capacity

with the right infrastructure and technology," he said.

Rafizi promised that the NETR will not be just another policy document. Instead, it represents a "different way of thinking" about the economy and livelihoods.

For example, instead of asking every household to pay for an expensive solar panel, the government wants to offer an income opportunity.

"In every home, we intend to give households the option to lease out their rooftops in return for a monthly income that could lower their electricity bills and put more cash in their pockets.

"The government is taking the lead in this by allocating RM80mil for solar panels to be installed on the rooftops of government buildings.

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Solar panels to be installed nationwide

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"We are also changing our old practices, where we will no longer penalise government agencies by deducting their budget from electricity savings created through solar.

"Soon, we would like to see solar panels installed nationwide, covering offices, factories, multipurpose halls and all types of buildings," he said during the launch.

Sime Darby Property Bhd will be one of the initial corporate partners under the NETR, particularly in advancing residential solar capacity.

The NETR also aspires to instal 10,000 charging stations along highways and commercial buildings by 2025. This will be done in collaboration with strategic partners such as Tenaga Nasional Bhd (TNB), PLUS Malaysia Bhd, Permodalan Nasional Bhd, PETRONAS' Gentari and Sunway Group.

Malaysia will also build South-East Asia's largest "hybrid solar photovoltaic" power plant under the NETR. The one-gigawatt (GW) power plant, called the Integrated RE Zone, will be championed by Khazanah Nasional Bhd and carried out through a joint venture between UEM Group and Itramas Corp Sdn Bhd.

UEM Group is wholly owned by Khazanah Nasional. Itramas is currently the largest vertically integrated solar plant developer and engineering, procurement, construction and commissioning service provider in the country.

"The scale of our ambition has attracted high-profile global investments from major economic blocs totalling RM6bil," said Rafizi. The memorandum of understanding for the Integrated RE Zone was inked following the launch of the NETR.

The minister also said that the roadmap will open up the hydrogen gateway in Sarawak as it implements rounds of projects to emerge as the hydrogen hub in the country. This will put in place the framework of carbon capture and storage so that catalyst projects can be implemented in these two years.

"We will continue to take advantage of the declining technology cost in RE and build first-mover advantage in nascent levers, as we move our investments into these high-growth, high-value areas," said Rafizi.

The first part of the NETR is slated to introduce Peninsular Malaysia's first mobile hydrogen refuelling station for transportation, in collaboration with NanoMalaysia Bhd, PETRONAS, United Motor Works and the Malaysian Green Technology and Climate Change Corp.

Among other catalytic projects under the NETR is the setting up of five centralised large-scale solar parks with 100MW capacity each, co-developed by TNB.

The utility giant will also develop 2.5GW of hybrid hydro-floating solar photovoltaic projects at its hydro dams.

Rafizi pointed out that the ideation behind these projects came from the industry itself. "All these projects have been in the pipeline already by these companies or agencies. It's just that because they were not approached holistically as part of a national project, they all faced a lot of challenges to take off the ground.

"The timeline was different. They foresaw some policy changes that needed to take place at the government level and that may have delayed the projects by one or two years," he said.

Realising their challenges, Rafizi said the government worked closely with the relevant companies to assist them by identifying the immediate policy changes that are necessary.

"Two or three general policy tweaks will cover and enable as many of these catalytic projects as possible," he said.